



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

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May 5, 2021

Delivered electronically to "recordstransferacct@gmail.com"

Subject: Complaint regarding South Kitsap School Supporters, PDC Case 85715

Dear Robert Parker:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on February 6, 2021. Your complaint alleged that South Kitsap School Supporters (SKSS) may have violated RCW 42.17A.235 and 42.17A.240 by failing to timely and accurately report and fully describe expenditures on C-4 reports; and RCW 42.17A.320 by failing to identify the sponsor of digital advertising.

PDC staff reviewed your allegations; the applicable statutes, rules, and reporting requirements; the response provided by South Kitsap School Supporters; and the applicable PDC reports filed by the Respondent to determine whether the record supports a finding of one or more violations.

Based on staff's review, we found the following:

Allegation one: Failure to timely and accurately report and fully describe expenditures on C-4 reports (Web design and hosting services, digital ads, and processing fees)

- For Web Design and Hosting Services: Gerry Austin stated SKSS disclosed expenditures for website domain and WordPress subscriptions dated 12/23/2019 in the amount of \$51.80 for google domains and \$104.64 for WordPress subscriptions. These subscriptions were purchased for a two-year period, expiring 12/23/2021 under the registered SKSS 2020 campaign. This is noted on page 2 of the C-4 report filed for the period from 12/01/2019 to 12/31/2019 as "WordPress subscription through 2021" and "Google domain registrations through 2021."
- For Hosting Services: Gerry Austin disclosed expenditures for "Consulting Services" with Engage Campaigns on the C-4 report covering the period of 12/01/2020 to 1/09/2021. As part of the contract for these services, Engage Campaigns agreed to "Develop and maintain

the campaign website.” SKSS incurred no additional expense beyond the contracted amount for consulting services.

- For Digital Ads: Gerry Austin stated expenses for digital ads were reported in the amount of \$420.00 on 3/02/2021 on the C-4 report filed for the period of 03/01/2021 to 3/02/2021, which were paid upon being invoiced by Engage Campaigns on 2/25/2021. Engage invoiced SKSS upon being billed by Google. Mr. Austin explained Google ads do not charge a set amount up front because Google does not know how many people are going to be reached, and the fee structure is based on the number of people reached by the digital ad. Mr. Austin said no debt was incurred prior to this invoice and payment.
- For Processing Fees: Gerry Austin stated SKSS reported the net donations received through PayPal, totaling \$823.25 between 12/29/2020 and 2/1/2021 on C-3 reports. PayPal collected a total of \$26.75 in processing fees from these transactions. Upon further research, SKSS acknowledged these fees were not properly reported and that the total donation amount, prior to processing by PayPal, should have been reported on the C-3 report, and subsequent processing fees should have been reported as expenditures on C-4 reports. SKSS amended its reports and thanked Robert Parker and the PDC for bringing this issue to the committee’s attention.

Allegation two: Failure to identify sponsor of digital advertising.

- Gerry Austin stated the small online ads in question are conspicuously linked to the campaign webpage, voteskschools.com, which can be reached with one mouse click, and which contains the following statement at the bottom of the landing page, which contains the disclaimer, as required by the PDC advertising brochure:

Paid for by South Kitsap School Supporters
PO Box 2081
Port Orchard, WA 98366

- Mr. Austin stated this sponsor identification was verified on two separate desktop browsers (Edge and Chrome) and one mobile browser (Safari).
- Mr. Austin also stated the ads in question were sized no smaller than a 200 x 200-pixel square, and no larger than a 336 x 280-pixel rectangle and are consistent with other ‘small online ads’ which have been similarly used by other campaigns.
- PDC Instructions for Sponsor Identification requirements do not define the size of “small online ads” but state, “**Small online ads** with limited characters may display the required elements in an automatic display such as a mouse tip/rollover or nonblockable pop-up that remains visible for at least 4 seconds OR on a webpage that is conspicuously linked to the small ad and reached by one click of the mouse.”

Allegation three: Failure to report quantities purchased for stickers on 01/21/2021 and 01/06/2021 C-4 expenditure reports.

- The expenditures were properly reported except that a complete description should have included the quantities of stickers purchased.

Based on these findings, staff has determined that in this instance, failing to list the full amount of contributions received through PayPal, and listing the processing fee separately as an expenditure, and failing to list the quantity of stickers purchased does not amount to a violation warranting further investigation.

PDC staff is reminding South Kitsap School Supporters about the importance of listing the full amount of contributions on C-3 reports, reporting processing fees as expenditures, and including the quantities of items purchased on all future PDC reports in accordance with the statutes and rules.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Phil Stutzman at 360-664-8853, toll-free at 1-877-601-2828, or by e-mail at pdc@pdc.wa.gov.

Sincerely,

Electronically Signed Philip E. Stutzman

Phil Stutzman
Compliance Officer

Endorsed by,

Electronically Signed Barbara Sandahl

Barbara Sandahl
Deputy Director
For Peter Frey Lavalley
Executive Director

cc: South Kitsap School Supporters, Gerry Austin, Treasurer